GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:5263
ANSWERED ON:14.05.2007
AMENDMENT IN PAYMENT OF BONUS ACT,1965
Barad Shri Jashubhai Dhanabhai;Patel Shri Kishanbhai Vestabhai

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the trade unions, employees and Government representatives have demanded for increase in the bonus eligibility;

(b) if so, the reaction of the Government thereon;

(c) whether the Government has a proposal to amend the Payment of Bonus Act, 1965;

(d) if so, the details thereof and the time by which it is likely to be amended; and

(e) the estimated number of persons likely to be benefited by such amendment?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a): The Government has been receiving representations from trade unions for abolition or enhancement of the eligibility limit and calculation ceilings.

(b) to (d): A proposal regarding amendment to the Payment of Bonus Act, 1965 to enhance eligibility limit of Bonus from Rs. 3,500/- per month to Rs. 7,500/- per month and calculation ceiling from Rs. 2,500/- per month to Rs. 3,500/- per month as per recommendation of the Second National Commission on Labour (NCL) was deliberated in the 41st Session of Indian Labour Conference (ILC) held from 27-28th April, 2007 in New Delhi. After the deliberations, the increase in calculation ceiling from Rs. 2,500/- per month to Rs. 3,500/- per month has been unanimously agreed by all the stakeholders. However, the proposal to increase the eligibility limit from Rs. 3,500/- per month to a suitable level higher than Rs. 7,500/- per month or to Rs. 10,000/- per month as agreed by stake holders other than employers, is under consideration of the Government. Given the procedures/steps involved and related financial implications, it is not possible, at present, to specify a definite timeframe for carrying out the amendment to the Act.

(e): The number of persons likely to be covered cannot be estimated as the Payment of Bonus Act, 1965 is applicable to:

(i) every factory; and

(ii) every other establishment in which twenty or more persons are employed on any day during an accounting year.